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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

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| OMB APPROVAL | |
| OMB Number: | 3235-0123 |
| Expires: | August 31, 2020 |
| Estimated average burden hours per response..... | 12.00 |

| |
|-----------------|
| SEC FILE NUMBER |
| 8-51300 |

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/2018 AND ENDING 12/31/2018
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Smith Point Capital, Ltd

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
322 Circle Park Place

| |
|-------------------|
| OFFICIAL USE ONLY |
| FIRM I.D. NO. |

| | | |
|--------------------|------------------|--------------|
| | (No. and Street) | |
| <u>Chapel Hill</u> | <u>NC</u> | <u>27517</u> |
| (City) | (State) | (Zip Code) |

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Larry Forrest 919-903-8442
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Jennifer Wray CPA PLLC

| | | |
|-------------------------------|--|--------------|
| | (Name - if individual, state last, first, middle name) | |
| <u>16418 Beewood Glen Dr.</u> | <u>Sugar Land</u> | <u>TX</u> |
| (Address) | (City) | (State) |
| | | <u>77498</u> |
| | | (Zip Code) |

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

| |
|------------------------------|
| FOR OFFICIAL USE ONLY |
| |

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (11-05)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

RMS

OATH OR AFFIRMATION

I, Larry Forrest, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Smith Point Capital, Ltd, as of December, 2018, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Alexander Fields
NOTARY PUBLIC
Alamance County, NC
My Comm. Expires July 24, 2021

[Signature]
Signature
CEO, CFO, CCO
Title

[Signature]
Notary Public

State of NC County of Orange
Subscribed and sworn before me on 2/6/19
(Date)
[Signature]
(Notary Signature)

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

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FEB 26 2019

Washington, DC

Smith Point Capital Ltd.

**Financial Statements and Supplemental Schedules
Required by the U.S. Securities and Exchange Commission**

Including Independent Auditor's Report Thereon

For the Year-Ended December 31, 2018

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Jennifer Wray CPA PLLC

16418 Beewood Glen Dr Sugar Land, TX 77498 Tel: 281-923-7665 Email: jenniferwraycpa@yahoo.com PCAOB#6328

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the member of
Smith Point Capital, Ltd

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Smith Point Capital, Ltd as of December 31, 2018, the related statements of income, changes in member's equity, and cash flows for the 2018 then ended, and the related notes and schedules. In our opinion, the financial statements present fairly, in all material respects, the financial position of Smith Point Capital, Ltd as of December 31, 2018 and the results of its operations and its cash flows for the 2018 then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of Smith Point Capital, Ltd's management. Our responsibility is to express an opinion on Smith Point Capital, Ltd's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to Smith Point Capital, Ltd in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Auditor's Report on Supplemental Information

The supplementary information contained in Schedules I on the pages 11-12 has been subjected to audit procedures performed in conjunction with the audit of Smith Point Capital, Ltd's financial statements. The supplemental information is the responsibility of Smith Point Capital, Ltd's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the Supplementary schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

Jennifer Wray CPA PLLC



We have served as Smith Point Capital, Ltd's auditor since 2019.

Sugar Land, Texas

Feb 15, 2019

Smith Point Capital Ltd.
Financial Statements
Statement of Financial Condition
As of and for the Year-Ended December 31, 2018

ASSETS

Current Assets

Checking/Savings

Clearing Account 28,621.93

Wells Fargo 0.02

Wells Fargo Money Market 2,015.67

Total Checking/Savings 30,637.62

Total Current Assets 30,637.62

TOTAL ASSETS 30,637.62

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable 12,853.46

Total Accounts Payable 12,853.46

Total Current Liabilities 12,853.46

Total Liabilities 12,853.46

Equity

Contributed Capital 5,000.00

Opening Bal Equity 27,915.95

Retained Earnings -11,146.21

Net Income -3,985.60

Total Equity 21,769.74

TOTAL LIABILITIES & EQUITY 30,637.62

The accompanying notes are an integral part of these financial statements.

Smith Point Capital Ltd
Financial Statements
Statement of Operations
As of and for the Year-Ended December 31, 2018

| | |
|--------------------------------|-------------|
| Ordinary Income/Expense | |
| Expense | |
| Communications | 199 |
| Insurance | |
| Fidelity Bond | 472 |
| Total Insurance | 472 |
| Professional Fees | |
| FINRA Fees | 1,695 |
| Legal and Accounting Fees | 1,700 |
| Total Professional Fees | 3,445 |
| Total Expense | 4,116 |
| Net Ordinary Income | (4,116) |
| Other Income/Expense | |
| Other Income | |
| Interest Income | 130 |
| Total Other Income | 130 |
| Net Other Income | 130 |
| Net Income | (3,986) |

The accompanying notes are an integral part of these financial statements.

Smith Point Capital Ltd.
Financial Statements
Statement of Cash Flows
As of and for the Year-Ended December 31, 2018

| | |
|--|---------|
| OPERATING ACTIVITIES | |
| Net Income | (3,986) |
| Adjustments to reconcile Net Income to net cash provided by operations: | |
| Accounts Payable | 4,115 |
| Net cash provided by Operating Activities | 130 |
| Net cash increase for period | 130 |
| Cash at beginning of period | 30,507 |
| Cash at end of period | 30,638 |

The accompanying notes are an integral part of these financial statements.

Smith Point Capital Ltd.
Financial Statements
Statement of Changes in Ownership Equity
As of and for the Year-Ended December 31, 2018

| | <u>Common Stock</u> | | <u>Paid-in Capital</u> | | <u>Treasury Stock</u> | | <u>Retained Earnings</u> | <u>Total Stockholder Equity</u> |
|------------------------------|---------------------|---------------|------------------------|---------------|-----------------------|---------------|--------------------------|---------------------------------|
| | <u>Shares</u> | <u>Amount</u> | <u>Shares</u> | <u>Amount</u> | <u>Shares</u> | <u>Amount</u> | <u>Amount</u> | <u>Amount</u> |
| Balance at January 1, 2017 | 1,000 | 1,000 | 1,000 | 31,915 | - | - | (11,146) | 21,769 |
| | | | | | | | | - |
| Net Income | - | - | - | - | - | - | (3,986) | (3,986) |
| | | | | | | | | - |
| Capital Transactions | - | - | - | - | - | - | - | - |
| | | | | | | | | - |
| Prior Period Adjustments | = | = | = | = | = | = | = | = |
| | | | | | | | | - |
| Balance at December 31, 2018 | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> | <u>31,915</u> | <u>=</u> | <u>=</u> | <u>(15,132)</u> | <u>17,783</u> |

The accompanying notes are an integral part of these financial statements.

Smith Point Capital Ltd
Notes to Financial Statements
As of and for the Year-Ended December 31, 2018

SMITH POINT CAPITAL, LTD
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE A – SUMMARY OF ACCOUNTING POLICIES

Accounting principles followed by Smith Point Capital, LTD (the Company) and the methods of applying those principles which materially affect the determination of financial position, results of operation and cash flows are summarized below:

Organization

Smith Point Capital, LTD (the “Company”, is organized under the laws of the state of North Carolina to provide investment services to investors as a fully disclosed introducing broker-dealer. The Company is licensed to operate in all fifty states. The Company is broker-dealer in securities registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority, Inc. (FINRA). The Company’s securities are cleared through a clearing broker-dealer. The Company does not maintain customers’ security accounts nor does it perform custodial functions related to customer securities.

Description of Business

The Company is engaged in business as a securities broker – dealer for private placements of securities, acting as a placement agent and as an intermediary between buyers and sellers of private equity funds in the secondary market.

Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

The Company considers as cash all short-term investments with an original maturity of three months or less to be cash equivalents.

SMITH POINT CAPITAL, LTD
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

Accounts Receivable – Recognition of Bad Debt

The Corporation considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Revenue Recognition

Commission revenues are recorded by the Company when the service is rendered.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. All of the Company's cash and cash equivalents are held at high credit quality financial institutions.

Fair Value of Financial Instruments

Financial instruments that are subject to fair value disclosure requirements are carried in the financial statements at an amount that approximates fair value and include cash and cash equivalents. Fair values are based on quoted market prices and assumptions concerning the amount and timing of estimated future cash flows and assumed discount rates reflecting varying degrees of perceived risk.

Comprehensive Income

Statement of Financial Accounting Standards (SFAS) No. 130, Reporting Comprehensive Income, establishes requirements for disclosure of comprehensive income that includes certain items previously not included in the statement of income, including unrealized gains and losses on available-for-sales securities and foreign currency translation adjustment among others. During the year ended December 31, 2018, the Company did not have any components of comprehensive income to report.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations

The company has revenue concentrations; the firm specializes in sales of municipal and corporate debt securities underwriting, U.S. government municipal and corporate debt securities.

NOTE B – NET CAPITAL REQUIREMENTS

Pursuant to the net capital provisions of Rule 15c3-3 of the Securities and Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis.

There were no material differences in the net amount reported as Net Capital in the audited Computation of Net Capital and the broker-dealer's corresponding unaudited Part IIA of the FOCUS report required under Rule 15c3-1.

NOTE C – POSSESSION OR CONTROL REQUIREMENTS

The Company does not have any possession or control of customer's funds or securities. There were no material inadequacies in the procedures followed in adhering to the exceptive provisions of SEC Rule 15c-3-3(k) (2) (ii).

NOTE D – SIPC RECONCILIATION

SEA Rule 17a-5(e)(4) requires a registered broker-dealer to file a supplemental report which includes procedures related to the broker-dealers SIPC annual general assessment reconciliation or exclusion-from-membership forms. In circumstances where the broker-dealer reports \$500,000 or less in gross revenues, they are not required to file the supplemental SIPC report. The Company is exempt from filing the supplemental report under SEA Rule 17a-5(e) (4) because it is reporting less than \$500,000 in gross revenue.

NOTE E – OTHER COMMITMENTS AND CONTINGENCIES

Included in the Company's clearing agreement with its clearing broker-dealer is an indemnification clause. This clause relates to instances where the Company's customers fail to settle security transactions. In the event this occurs, the Company will indemnify the clearing broker-dealer to the extent of the net loss on the unsettled trade. At December 31, 2018, management of the Company had not been notified by the clearing broker-dealer, nor were they otherwise aware of any potential losses relating to this indemnification.

NOTE F - SUBSEQUENT EVENT

The Company has evaluated events subsequent to the balance sheet date for items requiring recording or disclosure in the financial statements. The evaluation was performed through February 5, 2018, which is the date the financial statement were available to be issued. Based upon this review, the Company has determined that there were no events which took place that would have a material impact on its financial statements.

Smith Point Capital, Ltd
Supplementary Schedules Pursuant to SEA Rule 17a-5
Of the Securities and Exchange Act of 1934
As of and for the Year-Ended December 31, 2018

Computation of Net Capital

| | |
|--|-----------|
| Stockholder's Equity | \$ 17,785 |
| Non-Allowable Assets | |
| | |
| Total Non-Allowable Assets | \$ 0 |
| Haircuts on Securities Positions | |
| Securities Haircuts | \$ 0 |
| Undue Concentration Charges | \$ 0 |
| Total Haircuts on Securities Positions | \$ 0 |
| Net Allowable Capital | \$ 17,785 |

Computation of Net Capital Requirement

| | |
|--|-----------|
| Minimum Net Capital Required as a Percentage of Aggregate Indebtedness | \$ 836 |
| Minimum Dollar Net capital Requirement of Reporting Broker-Dealer | \$ 5,000 |
| Net Capital Requirement | \$5,000 |
| Excess Net Capital | \$ 12,785 |

Computation of Aggregate Indebtedness

| | |
|---|-----------|
| Total Aggregate Indebtedness | \$ 12,457 |
| Percentage of Aggregate Indebtedness to Net Capital | \$ 12,457 |

Computation of Reconciliation of Net Capital

| | |
|---|-----------|
| Net Capital Computed on FOCUS IIA as of December 31, 2018 | \$ 12,785 |
| Adjustments | |
| Increase (Decrease) in Equity | \$ 0 |
| (Increase) Decrease in Non-Allowable Assets | \$ 0 |
| (Increase) Decrease in Securities Haircuts | \$ 0 |
| Net Capital per Audit | \$12,785 |
| Reconciled Difference | - |

Smith Point Capital Ltd
Supplementary Statements Pursuant to SEA Rule 17a-5
Of the Securities and Exchange Act of 1934
As of and for the Year-Ended December 31, 2018

Statement Related to Uniform Net Capital Rule

The Company is a member of the FINRA and is subject to the SEC Uniform Net Capital Rule 15c3-1. This rule requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 1500% (15:1), or, during its first year of operations, 800% (8:1). Net capital and the related net capital ratio may fluctuate on a daily basis. At December 31, 2018, the Company had net capital of \$17,785 which was \$12,785 in excess of its required net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital was 72%. The Company has elected to use the basic computation method, as is permitted by the rule, which requires that the Company maintain minimum Net Capital pursuant to a fixed dollar amount or 6-2/3% percent of total aggregate indebtedness, as defined, whichever is greater, and does not, therefore, calculate its net capital requirement under the alternative reserve requirement method. There were no material differences reported as Net Capital in the audited computation of Net Capital and the broker-dealer's corresponding unaudited Part IIA of the FOCUS report required under Rule 15c3-1.

Statement Related to Exemptive Provision (Possession and Control)

The Company does not have possession or control of customer's funds or securities. There were no material inadequacies in the procedures followed in adhering to the exemptive provisions of SEA Rule 15c3-3(k)(2)(ii); All customer transactions cleared through another broker-dealer on a fully disclosed basis.

Statement Related to Material Inadequacies

This audit did not disclose any material inadequacies since the previous audit of the financial statements contained within the audit report of the Computation of Minimum Net Capital Requirement as reported in the Supplemental Schedules contained within the audit report or the filed Financial and Operational Combined Uniform Single Report filed pursuant to SEA Rule 15c3-1. The firm is exempt from 15c3-3; it does not maintain customer funds or securities and, therefore, does not maintain customer funds to segregate nor does it maintain separate accounts for customers.

Jennifer Wray CPA PLLC

16418 Beewood Glen Dr Sugar Land, TX 77498 Tel: 281-923-7665 Email: jenniferwraycpa@yahoo.com PCAOB#6328

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members of
Smith Point Capital, Ltd

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Smith Point Capital, Ltd identified the following provisions of 17 C.F.R. §15c3-3(k) under which Smith Point Capital, Ltd claimed an exemption from 17 C.F.R. §240.15c3-3(k)(2)(ii) (exemption provisions) and (2) Smith Point Capital, Ltd stated that Smith Point Capital, Ltd met the identified exemption provisions throughout the most recent fiscal year without exception. Smith Point Capital, Ltd's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Smith Point Capital, Ltd's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

Jennifer Wray CPA PLLC



Sugar Land, Texas.

Feb 15, 2019

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Smith Point Capital Ltd.
Supplementary Schedules Pursuant to SEA Rule 17a-5
Of the Securities and Exchange Act of 1934
As of and for the Year-Ended December 31, 2018

Exemption Letter Pursuant to SEA Rule 17a-5(d)(1)(i)(B)(2)

Smith Point Capital Ltd

January 11, 2019

Jennifer Wray
Beewood Glen Dr
Sugarland, Tx. 77498

Re: Exemption Report Pursuant to SEA Rule 17a-5(d)(1)(i)(B)(2)

To the best knowledge and belief, Smith Point Capital Ltd.,

1. Claims exemption 15c3-3(k)(2)(ii) from 15c3-3;
2. We have met the identified exemption from January 1, 2018 through December 31, 2018, without exception, unless, noted in number 3, below;
3. We have no exceptions to report this fiscal year.

Regards,



Larry Forrest
CEO
Smith Point Capital Ltd.

Date 1/11/2019